

30 March 2020

IRONVELD PLC
(“Ironveld” or the “Company”)

Interim results for the six months ended 31 December 2019

Ironveld plc, the owner of a High Purity Iron ("HPI"), Vanadium and Titanium project located on the Northern Limb of the Bushveld Complex in Limpopo Province, South Africa (the "Project") is pleased to announce its interim results for the six months ended 31 December 2019 ("the period").

Highlights

Operational

- Overheads incurred during the period reflected low level of activity whilst negotiations for development funding continued;
- Strategic Review process announced in July 2019 led to a number of inbound enquiries; and
- Board Changes – departure of Rupert Fraser and Duncan Harvey as Non-Executive Directors and appointment of new Chief Executive Officer, Martin Eales.

Financial

- Loan Facilities of up to £260,000 agreed post period end provided short term funding prior to completion of a larger financing transaction; and
- Option Agreement signed with Inclusive Investment Group ("IIG") for up to US\$3.2 million of funding announced today.

Martin Eales, CEO, said:

“As announced today Ironveld intends to enter into a major new strategic partnership with IIG following the granting of an Option which, when approved by shareholders and exercised, will result in IIG taking an ownership position in the Company of approximately 36.0 per cent. in exchange for a total cash subscription of US\$2.2 million (approximately £1.85 million). The non-refundable Option fee of US\$250,000 (approximately £210,000) is a significant demonstration of IIG’s commitment to the proposed transaction.

“We thank our shareholders for their continued support and look forward to providing further updates as we make continued progress.”

For further information, please contact:

Ironveld plc

Martin Eales, Chief Executive Officer

finnCap (Nomad and Broker)

Christopher Raggett/Hannah Boros

Blytheweigh

Megan Ray/Tim Blythe

c/o Blytheweigh

020 7138 3204

020 7220 0500

020 7138 3204

Notes to Editors:

Ironveld (IRON.LN) is the owner of a High Purity Iron (HPI), Vanadium and Titanium project located on the Northern Limb of the Bushveld Complex in Limpopo Province South Africa. Ironveld expects to mine its own VTM ore as feedstock for a 7.5 MW DC smelter which will produce speciality iron products including high purity iron powder as well as vanadium and titanium slag products.

The Definitive Feasibility Study published in April 2014 confirms the project's viability to deliver an exceptionally high-grade iron product (99.5% Fe) called High Purity Iron which commands a premium in the market place. Vanadium and Titanium slag containing commercial grades of vanadium and titanium will also be produced and sold.

Ironveld is an AIM traded company. For further information on Ironveld please refer to www.ironveld.com.

Chairman's Statement:

During the period, the Company announced the commencement of a Strategic Review and held discussions with a number of potential funding partners. Administrative expenses of £278,000 (2018: £257,000) reflect the continued low level of activity during the period whilst the Company engaged with possible partners.

Your Board remains confident that the Company's asset, containing 27 million tons of HPI, together with significant Vanadium and Titanium content, continues to demonstrate robust economics and has a potential value many times in excess of the Company's market capitalisation and balance sheet carrying value.

The fundamentals driving vanadium pricing continue to be supportive as the global annual demand continues to grow, partly driven by increasing Chinese demand and the advancements in technology for vanadium redox batteries.

The demand for HPI, as a water atomised powder, continues to increase as it is commonly used in the automotive industry, powder metallurgy and magnetic materials. Titanium slag is a key element in the development of new battery technology and is widely utilised in the steel, alloy and pigment industries.

Given stock market dynamics over the recent past and especially since the impact of COVID-19, it has proved challenging to secure a sensible funding deal whilst at the same time preserving value for shareholders, and a number of proposals were rejected due to unsuitable terms.

We aim to operate in a responsible manner and continue to work closely with stakeholders in the Project area to improve standards of living. We remain committed to our Keep a Young Girl in School Programme, which provides hygiene support to approximately 600 female students at schools in the local area together with our partners, the Imbumba Foundation and the Nelson Mandela Foundation. In conjunction with the Imbumba Foundation, we are working to introduce a support programme to encourage academic excellence amongst male students in the Project area.

Board

During the period both Rupert Fraser and Duncan Harvey stepped down from the Board as Non-Executive Directors and I thank them again for their contributions over many years. In December 2019, Martin Eales was appointed as the Company's new Chief Executive Officer and Peter Cox became Technical Director.

Financial

The Group recorded a loss before tax of £276,000 (H1 2018: £254,000) and cash balances of £107,000 (30 June 2019: £566,000) at the end of the period. The Company does not plan to pay a dividend for the six months ended 31 December 2019.

Post period end transactions

On 3 February 2020 the Company announced new Loan Facilities of up to £260,000, carrying an interest rate of 8 per cent. per annum with a six month term. Alongside the Loan Facilities the Company granted 26,000,000 warrants to subscribe for ordinary shares in the Company at 1 pence each. As at the date of this announcement £160,000 had been drawn under the loan facilities.

As announced today, the Company has entered into a conditional Option Agreement with IIG such that, following the grant of a Rule 9 Waiver by the Takeover Panel and approval of certain resolutions to effect the transaction by Ironveld shareholders, after exercise IIG would be able to subscribe for 440,176,070 new ordinary shares in Ironveld at a price of 0.42 pence each, generating gross proceeds to Ironveld (taking account of the US\$250,000 Option fee) of US\$2.2 million (approximately £1.85 million) and resulting in IIG holding an interest of approximately 36.0 per cent. of the Company's enlarged issued share capital. Alongside the equity subscription it is also IIG's intention to advance a loan of US\$1,000,000 (approximately £840,000) to the Ironveld Group.

IIG is a South Africa based investment group focussed on Africa. The group has interests in multiple sectors and has a particular focus on strategic metals and minerals within the region. The company has identified Ironveld as a near-production vehicle that it believes can accelerate into a

leading strategic / battery metals player in the region. IIG was founded by Mcebisi Jonas, the current Chairperson of multinational mobile telecommunications group MTN, and Monwabisi Twantwa.

Going concern

Following the recent agreement of the Loan Facilities and assuming the approval, exercise and completion of the Option Agreement with IIG, the Group's financial resources and existing facilities are considered adequate to meet committed overhead expenditure for the next 12 months by which time, the Directors anticipate completing the further funding of the Project (the High Purity Iron, Vanadium and Titanium project located on the Northern Limb of the Bushveld Complex in Limpopo Province, South Africa owned by the Group).

Following completion of the IIG transaction the Directors intend to work alongside IIG to engage with potential industrial and commercial partners to raise the additional finance which will allow them to commit to the next phase of the Project.

The Directors are confident that sufficient funds can be raised for this planned activity and therefore have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future, being twelve months from the date of the approval of these interim financial statements.

Should the Takeover Panel not grant a Rule 9 Waiver or the necessary Resolutions not be passed at a General Meeting of Shareholders arranged in connection with the IIG transaction or, following such approval, IIG not exercise its Option, the Company will need to secure further alternative funds in order to continue as a Going Concern.

COVID-19

At Ironveld, the well being of our people and our business is of utmost importance. The day to day developing nature of COVID-19 means our primary focus remains on the absolute safety of our employees and the continuity of our business.

The Company is closely following health and travel advice as it develops as well as the guidance from the Governments and authorities relevant to our operations.

Fortunately, we are a small but dedicated team of staff at Ironveld, however, due to the importance of the situation, the Company has encouraged its staff to work from home, particularly staff with children, and to follow the evolving Government advice even prior to the recent 'lockdowns' announced in South Africa and the UK.

For Ironveld, there are currently no operations or supply chains that have been interrupted and there will be no material day to day impact other than restricted international travel which can be dealt with using electronic communications.

Ironveld will closely follow and continuously assess the risks posed by COVID-19 and act accordingly based on this.

Outlook

The new strategic partnership with IIG as announced today has the potential to transform Ironveld's fortunes, giving us the support of a well respected and, most importantly, well connected mining finance house in South Africa. We look forward to working together with the IIG team and leveraging their expertise to help secure the necessary development funding for our project.

The long-term strategic focus of the Company remains to become a production led mining company as we look to monetise our vast HPI, Vanadium and Titanium resources.

We would like to thank all of our shareholders for their continuing support for both the Company and the Project and we look forward to providing further updates in the near future.

Giles Clarke
Chairman
30 March 2020

IRONVELD PLC
CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2019

	6 Months ended 31.12.19 £'000	6 Months ended 31.12.18 £'000	12 Months ended 30.06.19 £'000
Administrative expenses	(278)	(257)	(629)
Operating loss	<u>(278)</u>	<u>(257)</u>	<u>(629)</u>
Investment revenues	3	3	6
Finance costs	(1)	-	(2)
Loss before taxation	<u>(276)</u>	<u>(254)</u>	<u>(625)</u>
Taxation	-	-	-
Loss for the period	<u>(276)</u>	<u>(254)</u>	<u>(625)</u>
Attributable to owners of the company	(277)	(254)	(624)
Non-controlling interests	1	-	(1)
	<u>(276)</u>	<u>(254)</u>	<u>(625)</u>
Profit/(loss) per share (pence)			
Basic	(0.04p)	(0.04p)	(0.10p)
Diluted	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>

The accompanying notes form an integral part of these financial statements.

IRONVELD PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2019

	6 Months ended 31.12.19 £'000	6 Months ended 31.12.18 £'000	12 Months ended 30.06.19 £'000
Loss for the period	(276)	(254)	(625)
Exchange differences on the translation of foreign operations	(710)	(335)	211
Total comprehensive income/(loss) for the period	<u>(986)</u>	<u>(589)</u>	<u>(414)</u>
Attributable to:			
Owners of the company	(865)	(539)	(448)
Non-controlling interest	<u>(121)</u>	<u>(50)</u>	<u>34</u>
	<u>(986)</u>	<u>(589)</u>	<u>(414)</u>

The accompanying notes for an integral part of these financial statements.

IRONVELD PLC
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2019

	As at 31.12.19	As at 30.06.19
	£'000	£'000
Non-current assets		
Exploration and evaluation	26,989	27,423
Property, plant and equipment	4	5
Investments - Other	377	390
	<u>27,370</u>	<u>27,818</u>
Current assets		
Trade and other receivables	71	156
Cash and bank balances	107	566
	<u>178</u>	<u>722</u>
Total assets	<u>27,548</u>	<u>28,540</u>
Current liabilities		
Trade and other payables	(773)	(610)
	<u>(773)</u>	<u>(610)</u>
Non-current liabilities		
Deferred tax liabilities	(5,074)	(5,243)
	<u>(5,074)</u>	<u>(5,243)</u>
Total liabilities	<u>(5,847)</u>	<u>(5,853)</u>
Net assets	<u>21,701</u>	<u>22,687</u>
Equity		
Share capital	9,774	9,774
Share premium	19,691	19,691
Retained earnings reserve	(11,364)	(10,499)
	<u>18,101</u>	<u>18,966</u>
Equity attributable to owners of the company	<u>18,101</u>	<u>18,966</u>
Non-controlling interests	3,600	3,721
	<u>21,701</u>	<u>22,687</u>
Total equity	<u>21,701</u>	<u>22,687</u>

The accompanying notes form an integral part of these financial statements.

IRONVELD PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2019

	Share capital £'000	Share premium £'000	Retained earnings £'000	Attributable to the owners of the company £'000	Non- controlling interests £'000	Total equity £'000
Balance at 1 July 2018	8,903	19,161	(10,056)	18,008	3,687	21,695
Total comprehensive income for the year	-	-	(624)	(624)	(1)	(625)
Issue of share capital	871	530	-	1,401	-	1,401
Exchange differences on translation of foreign operations	-	-	176	176	35	211
Equity settled share based payments	-	-	5	5	-	5
Balance at 30 June 2019	9,774	19,691	(10,499)	18,966	3,721	22,687
Total comprehensive income for the period	-	-	(277)	(277)	1	(276)
Exchange differences on translation of foreign operations	-	-	(588)	(588)	(122)	(710)
Balance at 31 December 2019	9,774	19,691	(11,364)	18,101	3,600	21,701

The accompanying notes for an integral part of these financial statements.

IRONVELD PLC
CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2019

	6 Months Ended 31.12.19 £'000	6 Months Ended 31.12.18 £'000	12 Months Ended 30.06.19 £'000
Net cash from operating activities	<u>(18)</u>	<u>(51)</u>	<u>(420)</u>
Investing activities			
Interest received	3	3	6
Purchase of exploration and evaluation assets	(449)	(712)	(1,202)
Contribution to exploration and evaluation assets	-	243	268
Purchases of property, plant and equipment	-	(2)	(4)
Purchase of investments	-	-	-
Net cash used in investing activities	<u>(446)</u>	<u>(468)</u>	<u>(932)</u>
Financing activities			
Proceeds on issue of equity (net of costs)	-	376	1,401
Net cash generated in financing activities	<u>-</u>	<u>376</u>	<u>1,401</u>
Net increase/(decrease) in cash and cash equivalents	<u>(464)</u>	<u>(143)</u>	<u>49</u>
Cash and cash equivalents at the start of the period	566	517	517
Effect of foreign exchange rates	5	(52)	-
Cash and cash equivalents at end of period	<u>107</u>	<u>322</u>	<u>566</u>
Note to the cash flow statement			
Operating loss	(278)	(257)	(629)
Depreciation on property, plant and equipment	1	2	3
Operating cash flows before movements in working capital	(277)	(255)	(626)
Movement in receivables	79	106	22
Movement in payables	180	98	185
Cash used in operations	(17)	(51)	(419)
Interest paid	(1)	-	(1)
Net cash from operating activities	<u>(18)</u>	<u>(51)</u>	<u>(420)</u>

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Basis of preparation and accounting policies

The results for the six months to 31 December 2019 have been prepared under International Financial Reporting Standards (IFRS) as adopted by the EU and International Accounting Standards Board.

The accounting policies are consistent with those of the annual financial statements for the year ended 30 June 2019, as described in those financial statements.

The financial information does not constitute statutory accounts as defined by section 435 of the Companies Act 2006. Full accounts of the company for the year ended 30 June 2019 on which the Auditors gave an unqualified report, have been delivered to the Registrar of Companies.

2 Loss per share

The calculation of basic and diluted loss per share is based upon the loss for the period and the weighted average number of ordinary shares in issue during the period.

	6 Months	6 Months	12 Months
	to 31.12.19	to 31.12.18	to 30.06.19
	'000	'000	'000
Weighted average number of shares	654,991	571,580	602,782
Options – dilution	-	-	-
	654,991	571,580	602,782
	Pence	Pence	Pence
Basic loss per share – continuing	(0.04)	(0.04)	(0.10)
Diluted earnings per share	n/a	n/a	n/a

Where the Group reports a loss for any period, then in accordance with IAS 33, the share options and warrants in issue are not considered dilutive.

3 Registered office and copies of the report

The registered office is Ironveld plc, Lakeside Fountain Lane, St Mellons, Cardiff, CF3 0FB and copies of this report are available from the registered office.

INDEPENDENT REVIEW REPORT

UHY Hacker Young Manchester LLP
St. James Building
79 Oxford Street
Manchester M1 6HT

TO IRONVELD PLC

Introduction

We have reviewed the accompanying balance sheet of Ironveld plc as at 31 December 2019 and the related statements of income, changes in equity, cash flows for the six month period then ended and other explanatory notes 1 to 3. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with the International Financial Reporting Standards. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the entity as at 31 December 2019, and of its financial performance and its cash flows for the six month period then ended in accordance with International Financial Reporting Standards as applicable in the United Kingdom.

In forming our opinion on the financial information, which is not modified, we have considered the adequacy of the disclosures made in the Chairman's statement concerning the Group's ability to continue as a going concern. The Group continues to engage with potential industrial and commercial partners in order to finance the additional planned activity and this indicates the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The financial information does not include the adjustments that would result if the Group were unable to continue as a going concern and the directors remain confident that sufficient funds can be arranged.

UHY Hacker Young Manchester LLP
Chartered Accountants

IRONVELD PLC

OFFICERS, ADVISORS AND AGENTS

Directors: Giles Clarke (Chairman)
Martin Eales (Chief Executive Officer)
Vred von Ketelhodt (Chief Financial Officer)
Nick Harrison (Non-Executive Director)
Peter Cox (Technical Director)

Secretary: Kirsti Jane Pinnell

Company Number: 04095614

Registered Office: Ironveld Plc
Lakeside Fountain Lane
St Mellons
Cardiff
CF3 0FB

Broker: finnCap
60 New Broad Street
London
EC2M 1JJ

Solicitors: Kuit Steinart Levy LLP
3 St Marys Parsonage
Manchester
M3 2RD

Auditors: UHY Hacker Young Manchester LLP
Chartered Accountants
St James Building
79 Oxford Street
Manchester M1 6HT

Bankers: HSBC
97 Bute Street
Cardiff
CF10 5NA

Registrars: Link Asset Services
34 Beckenham Road
Beckenham
Kent
BR3 4TU